

## Message Text

SECRET

PAGE 01 STOCKH 01464 01 OF 04 270932Z

21-12

ACTION EUR-12

INFO OCT-01 ISO-00 MMS-01 SP-02 /016 W

----- 000547

R 270900Z MAR 75

FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC 4271

INFO AMEMBASSY COPENHAGEN

AMEMBASSY HELSINKI

AMEMBASSY MOSCOW

AMEMBASSY OSLO

AMEMBASSY REYKJAVIK

USMISSION NATO

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USMISSION USUN NEW YORK

S E C R E T SECTION 1 OF 4 STOCKHOLM 1464

E.O. 11652: XGDS

TAGS: OGEN, SW

SUBJECT: ANNUAL US POLICY ASSESSMENT: SWEDEN

REF: (A) STATE 032826, (B) STATE 9732

US POLICY OBJECTIVES FOR SWEDEN REMAIN ESSENTIALLY UNCHANGED. THESE OBJECTIVES, UPDATED AS APPROPRIATE BY EARLIER ASSESSMENTS, ARE AS FOLLOWS: (I) PRESERVATION OF AN INDEPENDENT, NON-ALIGNED SWEDN FAVORABLY DISPOSED TOWARDS COOPERATION WITH THE ATLANTIC COMMUNITY; (II) IMPROVEMENT OF US-SWEDISH BILATERAL TIES, AND (III) FURTHERANCE OF US ECONOMIC AND COMMERCIAL INTERESTS IN SWEDEN.

A. OBJECTIVE I - PRESERVATION OF AN INDEPENDENT, NON-ALIGNED SWEDEN FAVORABLY DISPOSED TOWARDS COOPERATION WITH THE ATLANTIC COMMUNITY. THIS OBJECTIVE CONSTITUTES THE FUNDAMENTAL PURPOSE OF US POLICY IN SWDEN AND IS AIMED AT (1) FORECLOSING THE EXTENSION OF SOVIET MILITARY POWER TO SWEDISH TERRITORY, (2) INSURING THAT

SECRET

SECRET

PAGE 02 STOCKH 01464 01 OF 04 270932Z

SWEDEN REMAINS AT LEAST BENEVOLENTLY NEUTRAL TOWARDS

THE US AND NATO IN TIME OF CONFLICT, AND (3) INSURING ALSO THAT SWEDEN AS THE STRONGEST POWER IN THE NORDIC AREA PLAYS A CONSTRUCTIVE ROLE IN THE MAINTENANCE OF THE NORDIC BALANCE.

TO MEET OBJECTIVE I, WE PLAN FOLLOWING COURSES OF ACTION:

(A) DEMONSTRATE TO THE SWEDES THROUGH OUR ACTIONS AND STATEMENTS THAT WE CONSIDER REAL NEUTRALITY AN ACCEPTABLE FOREIGN POLICY OPTION, WHILE AT THE SAME TIME QUIETLY ENCOURAGING GREATER SWEDISH POLITICAL AND ECONOMIC INTERDEPENDENCE WITH THE WEST.

BEGINNING WITH MY STATEMENT AT MY CONFIRMATION HEARING BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE LAST SPRING, I HAVE FREQUENTLY PRAISED THE CONTRIBUTION OF SWEDISH NEUTRALITY TO EUROPEAN PEACE, AND I INTEND TO CONTINUE DOING SO. WITH REGARD TO SWEDISH INTERDEPENDENCE WITH THE WEST, WE HAVE HANDLED THIS QUESTION WITH DISCRETION, ON THE ASSUMPTION THAT THE FORCE OF EVENTS WOULD MAKE CLEAR TO THE SWEDES THE ADVANTAGES TO THEM OF GREATER PARTICIPATION IN WEST EUROPEAN DEVELOPMENTS. IN FACT, SWEDEN HAS ON ITS OWN INITIATIVE TAKEN A NUMBER OF ACTIONS IN RECENT MONTHS WHICH HAVE INEVITABLY DRAWN IT CLOSER TO THE WEST, INCLUDING ITS DECISION TO JOIN THE IEA AND ITS PARTICIPATION IN THE COMPETITION TO PROVIDE FOUR NATO NATIONS WITH A SUCCESSOR TO THE F-104.

(B) HELP SWEDEN MAINTAIN A MILITARY POSTURE WHICH WILL ENABLE IT TO DETER AND RESIST CONVENTIONAL ATTACK.

UNDER CAREFUL MONITORING, WE HAVE OVER THE YEARS SOLD SWEDEN SOPHISTICATED MILITARY EQUIPMENT SUCH AS ADVANCED AIRCRAFT COMPONENTS AND WEAPONS. OUR DATA EXCHANGE AGREEMENTS HAVE BEEN SUCCESSFUL IN PROVIDING SWEDISH INDUSTRY WITH THE TECHNOLOGICAL BASE NECESSARY TO PRODUCE WEAPONS SYSTEMS DOMESTICALLY. THE DEVELOPMENT OF SWEDEN'S MOST SIGNIFICANT WEAPONS SYSTEM, THE SAAB 37 VIGGEN,

SECRET

SECRET

PAGE 03 STOCKH 01464 01 OF 04 270932Z

(WHOSE US SHARE OF COMPONENTS IS AROUND 30 PERCENT) IS AN OUTSTANDING EXAMPLE OF THE SUCCESS OF THESE EXCHANGE AGREEMENTS. WE BELIEVE THESE AGREEMENTS SHOULD CONTINUE TO BE REVIEWED TO ASSURE MAXIMUM MUTUAL BENEFIT THROUGH COOPERATIVE RESEARCH AND DEVELOPMENT. IN THIS CONNECTION, I HAVE INFORMED ANDERS THUNBORG, CHAIRMAN OF THE SWEDISH DEFENSE COMMISSION, OF THE WILLINGNESS OF US DEFENSE OFFICIALS TO RECEIVE HIM FOR DISCUSSIONS OF THESE AND

RELATED QUESTIONS.

SECRET

NNN

SECRET

PAGE 01 STOCKH 01464 02 OF 04 270959Z

12

ACTION EUR-12

INFO OCT-01 MMS-01 SP-02 ISO-00 /016 W

----- 001003

R 270900Z MAR 75

FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC 4272

INFO AMEMBASSY COPENHAGEN

AMEMBASSY HELSINKI

AMEMBASSY MOSCOW

AMEMBASSY OSLO

AMEMBASSY REYKJAVIK

USMISSION NATO

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USMISSION USUN NEW YORK

S E C R E T SECTION 2 OF 4 STOCKHOLM 1464

(C) MAINTAIN CLOSE RELATIONS WITH THE SWEKSH MILITARY  
THROUGH HIGH-LEVEL EXCHANGES OF VISITS.

THE PAST YEAR HAS WITNESSED A SIGNIFICANT NUMBER OF VISITS  
TO SWEDEN BY HIGH-RANKING US MILITARY OFFICERS, AND MORE  
ARE SCHEDULED DURING 1975. ON THE SWEDISH SIDE, RECENT  
AND PLANNED VISITS INCLUDE THE C-IN-C'S OF THE THREE  
SWEDISH MILITARY BRANCHES. WE WILL CONTINUE TO ENCOURAGE  
THESE VISITS, WHILE AT THE SAME TIME MONITORING THEM TO  
AVOID THEIR BECOMING SO NUMEROUS AS TO CAUSE EMBARRASS-  
MENT TO THE SWEDISH MILITARY.

(D) MODERATE GROWING ANTI-DEFENSE BIAS.

ONE OF THE GREAT DANGERS TO THE CREDIBILITY OF SWEDISH  
NEUTRALITY IS THE GROWING ATTITUDE AMONG A SIGNIFICANT  
SECTOR OF THE BODY POLITIC THAT SWEDISH DEFENSE RECEIVES  
TOO LARGE A SHARE OF THE NATIONAL RESOURCES, PARTICULARLY  
IN A PERIOD OF DETENTE. STRENGTHENING THIS ATTITUDE IS  
THE VIEW THAT SWEDEN IS TOO SMALL TO MAINTAIN A VIABLE

DEFENSE FORCE TO INSURE ITS NATIONAL INTEGRITY. GIVEN

SECRET

SECRET

PAGE 02 STOCKH 01464 02 OF 04 270959Z

THE POSITIVE VALUE OF SWEDEN'S DEFENSE FORCES TO OUR OWN STRATEGIC EQUATIONS, WE SHOULD VIEW ANY DIMINUTION OF SWEDISH DEFENSE AS AN UNDESIRABLE DEVELOPMENT. THE US ROLE IN THE ENDEAVOR TO KEEP SWEDEN STRONG MUST BE A SECONDARY ONE, FOR IT IS THE SWEDES WHO MUST DETERMINE WHETHER THEY ARE WILLING TO MAKE THE NECESSARY SACRIFICES A VIABLE DEFENSE EFFORT ENTAILS. IN DISCUSSIONS MEMBERS OF MY STAFF AND I HAVE HAD WITH SWEDISH POLITICAL AND MILITARY LEADERS, WE HAVE CONSISTENTLY EMPHASIZED THE US CONVICTION THAT THE ONSET OF DETENTE DOES NOT SIGNIFY THE END OF THE SOVIET THREAT AND THAT TO BE SUCCESSFUL, DETENTE MUST BE BASED ON A STRONG DEFENSE EFFORT BY THE WESTERN COUNTRIES.

B. OBJECTIVE II - IMPROVEMENT OF US-SWEDISH BILATERAL TIES. ASIDE FROM ITS MILITARY SIGNIFICANCE, GOOD RELATIONS WITH SWEDEN ARE IMPORTANT TO US FOR A NUMBER OF REASONS. SWEDEN HAS CONSIDERABLE INFLUENCE WITH THE DEVELOPING WORLD, BASED BOTH ON ITS LARGE AID PROGRAM AND ITS CHAMPIONING OF THIRD WORLD CAUSES, SOMETIMES AGAINST THE INTERESTS OF THE US AND OTHER WESTERN POWERS. SWEDEN ALSO ENJOYS CONSIDERABLE PRESTIGE AMONG THE SOCIAL DEMOCRATIC PARTIES OF WESTERN EUROPE AND PARTICULARLY AMONG ITS FELLOW NORDICS, AND, AT THE UN, EXERCISES AN INFLUENCE OUT OF PROPORTION TO ITS SIZE. WHEN SO INCLINED, SWEDEN CAN PLAY A CONSTRUCTIVE ROLE BETWEEN THE WEST AND THE DEVELOPING COUNTRIES. WHEN THE SECRETARY REQUESTED THE SWEDISH FOREIGN MINISTER TO USE THE OCCASION OF A RECENT VISIT TO CAIRO TO ENCOURAGE THE EGYPTIANS TO MAKE PROGRESS TOWARDS A PEACEFUL SOLUTION TO THE MIDDLE EAST CONFLICT, THE SWEDES TOLD SADAT THAT THEY SUPPORTED THE SECRETARY'S STEP-BY-STEP APPROACH. SWEDISH ASSISTANCE TO THE PORTUGUESE SOCIALIST PARTY HAS BEEN IMPORTANT IN HELPING THAT PARTY COPE WITH THE MORE DISCIPLINED COMMUNISTS. IN SUM, SWEDEN COULD BE OF SIGNIFICANT HELP TO US FOREIGN POLICY INTERESTS.

IN 1974, NORMAL RELATIONS WERE RESTORED BETWEEN THE US AND SWEDEN. IN THE PAST YEAR, RELATIONS HAVE IMPROVED MARKEDLY NOT ONLY AT THE OFFICIAL LEVEL, BUT IN OTHER AREAS OF SWEDISH SOCIETY AS WELL. THE PERIOD OF

SECRET

SECRET

PAGE 03 STOCKH 01464 02 OF 04 270959Z

FREQUENT AND EMOTIONAL ANTI-US DEMONSTRATIONS APPEARS TO HAVE PASSED. NEVERTHELESS, IN VIEW OF OUR WIDELY DIFFERING PERCEPTIONS ON MANY WORLD PROBLEMS SUCH AS INDOCHINA, ALL IS NOT ALWAYS SMOOTH SAILING IN OUR BILATERAL RELATIONS. THUS, FOR EXAMPLE, IN JANUARY 1975 FOREIGN MINISTER SVEN ANDERSSON LAUNCHED A CRITICAL PUBLIC ATTACK ON US VIETNAM POLICY ON THE OCCASION OF THE SECOND ANNIVERSARY OF THE SIGNING OF THE PARIS AGREEMENTS. IMPORTANT SECTORS OF THE SWEDISH MEDIA PERSIST IN DESCRIBING THE US IN UNFAVORABLE AND EVEN DISTORTED TERMS.

TO ACHIEVE OBJECTIVE II, THE FOLLOWING COURSES OF ACTION ARE PROPOSED:

(A) DEVELOP CLOSER RELATIONS WITH INFLUENTIAL SWEDISH LEADERS.

IN THE APPROXIMATELY TEN MONTHS THAT I HAVE BEEN HERE, I HAVE ENDEAVORED TO DEVELOP A CLOASE RAPPORT WITH KEY SWEDISH LEADERS, INCLUDING PRIME MINISTER PALME AND FOREIGN MINISTER ANDERSSON. THE PRIME MINISTER AND I HAVE AGREED TO MEETINGS IN HIS OFFICE AT MORE OR LESS REGULAR INTERVALS, AND I HAVE MADE IT A POLICY TO CALL ON THE FOREIGN MINISTER WHENEVER THERE IS AN IMPORTANT ISSUE OF MUTUAL CONCERN. I HAVE ALSO ENTERTAINED BOTH MEN AT THE RESIDENCE IN RECENT WEEKS. I HAVE CALLED ON EVERY MEMBER OF THE CABINET AT LEAST ONCE AND ON SOME SEVERAL TIMES. I HAVE ALSO ENCOURAGED MY STAFF TO DEVELOP GOOD RELATIONS WITH THEIR COUNTERPARTS IN THE VARIOUS FIELDS OF SWEDISH LIFE, INCLUDING POLITICS, BUSINESS AND FINANCE, LABOR, THE UNIVERSITIES, THE MEDIA, ETC. OUR EFFORT TO RAISE US-SWEDISH RELATIONS TO THEIR HISTORICAL, FRIENDLY STATE AND EVEN IMPROVE UPON THEM HAS ENTAIWD AN EFFORT SUBSTANTIALLY EXCEEDING THE AMOUNT OF REPRESENTATION FUNDS ALLOCATED TO THE POST BOTH FOR MY STAFF AND MYSELF. THEREFORE, TO CARRY OUT THIS COURSE OF ACTION, A SIGNIFICANT INCREASE IN REPRESENTATIONAL FUNDS WILL BE REQUIRED.

SECRET

NNN

SECRET

PAGE 01 STOCKH 01464 03 OF 04 271017Z

11  
ACTION EUR-12

INFO OCT-01 ISO-00 SP-02 MMS-01 /016 W

----- 001368

R 270900Z MAR 75

FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC 4273

INFO AMEMBASSY COPENHAGEN

AMEMBASSY HELSINKI

AMEMBASSY MOSCOW

AMEMBASSY OSLO

MEMBASSY REYKJAVIK 1254

USMISSION NATO

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USMISSION USUN NEW YORK

S E C R E T SECTION 3 OF 4 STOCKHOLM 1464

(B) ENCOURAGE HIGH-LEVEL POLITICAL VISITS TO AND FROM SWEDEN.

WHILE OUR EFFORTS TO ENCOURAGE HIGH-LEVEL VISITS TO SWEDEN BY US MILITARY OFFICERS HAVE MET WITH CONSIDERABLE SUCCESS (SEE C ABOVE), WE DO NOT YET HAVE THE FREQUENCY OR LEVEL OF VISITS TO SWEDEN BY SENIOR US POLITICAL OFFICIALS WHICH WE BELI WOULD BE BENEFICIAL TO OUR AIMS HERE. THEREFORE, I HAVE RECOMMENDED THAT DEPUTY SECRETARY INGERSOLL VISIT SWEDEN DURING 1975 IN ORDER TO CONVEY TO THE SWEDES THE IMPORTANCE WE ATTRIBUTE TO OUR BILATERAL RELATIONS. FROM THE SWEDISH SIDE THERE HAS BEEN NO RELUCTANK BY HIGH-LEVEL OFFICIALS TO VISIT THE US. IN FEBRUARY OF THIS YEAR PRINCE BERTIL LED A GROUP OF EMINENT SWEDISH BUSINESSMEN AND INDUSTRIALISTS ON A US VISIT WHICH INCLUDED MEETINGS WITH VICE PRESIDENT ROCKEFELLER AND OTHER SENIOR US OFFICIALS. WE SHOULD ALSO CONUDER, ON THE BASIS OF CONTINUED SATISFACTORY US-SWEDISH RELATIONS, AN OFFICIAL VISIT IN 1976 TO THE US BY PRIME MINISTER PALME.

SECRET

SECRET

PAGE 02 STOCKH 01464 03 OF 04 271017Z

(C) BROADEN CONTACT WITH SWEDISH MEDIA LEADERS AND INTELLECTUALS.

THESE TWO INFLUENTIAL GROUPS CONTINUE TO FIELD A HIGHER PERCENTAGE OF MEMBERS IDEOLOGICALLY BIASED AGAINST THE US. HOWEVER, SINCE MY ARRIVAL HERE, THE BEGINNING OF A DIALOGUE HAS BEEN REESTABLISHED. I HAVE UNDERTAKEN A PROGRAM OF LUNCHEES WITH THE COUNTRY'S LEADING NEWSPAPER EDITORS AND COLUMNISTS. THESE XETINGS WILL CONTINUE AS WELL AS THOSE WITH OTHER MEMBERS OF THE COUNTRY TEAM.

WE ALSO NEED A SUBSTANTIAL INCREASE IN THE INTERNATIONAL VISITORS' PROGRAM TO INCLUDE A GREATER NUMBER OF REPRESENTATIVES OF THIS TARGET GROUP.

(D) ENSURE THAT SWEDISH LEADERS HAVE A BALANCED VIEW OF THE US.

THE RESTORATION OF NORMAL DIPLOMATIC RELATIONS WITH SWEDEN REMOVED THE CHIEF BARRIER TO IMPROVED CONTACTS BETWEEN US AND SWEDISH LABOR. AT MY URGING, AFL-CIO REPRESENTATIVE IRVING BROWN VISITED STOCKHOLM IN FEBRUARY 1975. HIS VISIT SERVED TO RENEW THE TRADITIONALLY FRIENDLY TIES BETWEEN THE US AND SWEDISH TRADE UNION MOVEMENTS THAT HAD COOLED DURING THE PERIOD OF STRAINED RELATIONS.

FOLLOWING MY ARRIVAL, I CALLED ON THE VARIOUS LABOR LEADERS. SINCE THEN I HAVE HAD FREQUENT MEETINGS WITH THEM BOTH IN THEIR OFFICES AND IN MY RESIDENCE. ONE RESULT OF THESE EFFORTS IS THE LIKELIHOOD OF A TCP TO THE US LATER THIS YEAR BY THE PRESIDENTS OF LO AND THE TCO, WHICH SHOULD OPEN THE DOOR FOR FUTURE EXCHANGES.

(E) INCREASE SCIENTIFIC AND TECHNICAL COOPERATION WITH SWEDEN.

DURING 1974, THE US AND SWEDEN CONCLUDED AGREEMENTS ON ROCK TUNNELING AND COOPERATION IN THE FIELD OF ENERGY REGULATION. DISCUSSIONS ARE NOW IN PROGRESS BETWEEN THE ROYAL ACADEMY OF ENGINEERING SCIENCES AND THE DEPARTMENT OF INTERIOR ON COOPERATIVE PROJECTS IN SOLID WASTE MANAGEMENT. DURING THE YEAR, WE PLAN TO ENCOURAGE WITH SWEDISH  
SECRET

SECRET

PAGE 03 STOCKH 01464 03 OF 04 271017Z

PARTICIPATION IN THE SCIENTIFIC ACTIVITIES OF THE NATO COMMITTEE ON THE CHALLENGES TO MODERN SOCIETY. UP TO NOW, SWEDISH PARTICIPATION HAS BEEN LIMITED TO NONGOVERNMENTAL PARTICIPATION (VOLVO AND SAAB) IN THE EXPERIMENTAL SAFETY VEHICLE PROJECT. I BELIEVE THAT IT WOULD BE IN OUR BEST INTEREST IF HIGH-LEVEL OFFICIALS FROM THE PRESIDENT'S SCIENCE ADVISORY STAFF AND VARIOUS TECHNICAL AGENCIES WERE TO VISIT SWEDEN TO PRESENT US SCIENTIFIC AND TECHNOLOGICAL POLICIES.

C. OBJECTIVE III - FURTHERANCE OF US ECONOMIC AND COMMERCIAL INTERESTS IN SWEDEN.

SWEDEN'S HIGH AND RISING STANDARD OF LIVING, SUPPORTED BY VIGOROUS PRIVATE CAPITAL, SOPHISTICATED LEVEL OF TECHNOLOGY, AND LIBERAL TRADE AND INVESTMENT POLICIES, MAKE SWEDEN A VALUABLE AND GROWING MARKET FOR US

EXPORTS AND A SOURCE OF FOREIGN INVESTMENTS IN THE US.  
IN 1974, US EXPORTS IN EXCESS OF \$900 MILLION CONSISTED  
OF AIRCRAFT, MACHINERY, APPLIANCES, OFFICE MACHINES, AND  
AGRICULTURAL PRODUCTS. THE ECONOMIC POLICY OBJECTIVES  
OF OUR TWO COUNTRIES ARE GENERALLY SIMILAR, AND  
BUSINESSES AND COMMERCIAL RELATIONS BETWEEN OUR TWO  
COUNTRIES HAVE CONTINUED TO BE CLOSE.

ON TRADE POLICY, SWEDEN HAS SUPPORTED THE NEGOTIA-  
TIONS IN GATT TO LOWER TRADE BARRIERS AND, IN THE OECD,  
SUBSCRIBED TO THE ORGANIZATION'S POLICY OF AVOIDING NEW  
TRADE RESTRICTIONS WHICH COULD LEAD TO "BEG4 5#36  
NEIGHBOR" POLICIES. TO DATE, THERE HAS BEEN NO ADVERSE  
DEVELOPMENT IN THE SWEDISH ECONOMY THAT COULD LEAD TO  
A CHANGE IN POLICIES. HOWEVER, ANY SHARP DETERIORATION  
OF SWEDEN'S BALANCE OF PAYMENTS COULD RESULT IN A RE-  
EXAMINATION OF THE PRESENT LIBERAL POLICIES.

TO MEET OBJECTIVE III, WE ENVISION FOLLOWING COURSES  
OF ACTION:

(A) EXPAND AND STRENGTHEN EXPORT PROMOTION EFFORTS, IN  
ACCORDANCE WITH COUNTRY COMMERCIAL PROGRAM.

SECRET

SECRET

PAGE 04 STOCKH 01464 03 OF 04 271017Z

(B) ASSURE NON-DISCRIMINATORY ACCESS IN SWEDEN FOR US  
PRODUCTS.

SECRET

NNN

SECRET

PAGE 01 STOCKH 01464 04 OF 04 271032Z

12

ACTION EUR-12

INFO OCT-01 SP-02 MMS-01 ISO-00 /016 W

----- 001592

R 270900Z MAR 75

FM AMEMBASSY STOCKHOLM

TO SECSTATE WASHDC 4274

INFM RUDKPNQ/AMEMBASSY COPENHAGEN 3312



AMEMBASSY HELSINKI  
AMEMBASSY MOSCOW  
AMEMBASSY OSLO  
AMEMBASSY REYKJAVIK  
USMISSION NATO  
USMISSION EC BRUSSELS  
USMISSION OECD PARIS  
USMISSION USUN NEW YORK

S E C R E T SECTION 4 OF 4 STOCKHOLM 1464

(C) STRENGTHEN COOPERATION IN MULTILATERAL AREAS WHERE OUR INTERESTS CONVERGE AND AMELIORATE ADVERSE IMPACT OF SWEDISH ACTIONS CONTRARY TO OUR INTERESTS. SPECIAL ATTENTION SHOULD BE GIVEN TO IEA, WHERE SWEDEN HAS SUPPORTED THE \$25 BILLION SOLIDARITY FUND BUT HAS BEEN COOL TOWARDS A MINIMUM OIL (FLOOR) PRICE.

(D) STRENGTHEN BILATERAL ECONOMIC AND COMMERCIAL TIES. THIS OBJECTIVE CAN BE FURTHERED BY KEEPING KEY SWEDISH VILICYMAKERS FULLY INFORMED OF US ECONOMIC AND COMMERCIAL POLICY DECISIONS

(E) WHILE WELCOMING CLOSER SWEDISH TIES TO THE EC, AT THE SAME TIME WE SHOULD MONITOR THIS DEVELOPMENT CAREFULLY TO ENSURE THAT THESE TIES ARE NOT STRENGTHENED AT OUR EXPENSE.

D. RESOURCES STAFFING.

I CONSIDER CURRENT EMBASSY STAFFING AND FINANCIAL RESOURCES INADEQUATE, SPECIFICALLY WITH RESPECT TO THE NEED FOR A JUNIOR POLITICAL OFFICER, A LOCAL SECRETARY FOR THE  
SECRET

SECRET

PAGE 02 STOCKH 01464 04 OF 04 271032Z

SCIENTIFIC ATTACHE, AND INCREASED REPRESENTATIONAL FUNDS.

(1) STAFFING

A) DURING FY 1975 POSITION NO. 10-5550-158 FORMERLY ALLOCATED TO THE POLITICAL SECTION WAS SHIFTED TO THE COMMERCIAL SECTION TO MEET THE EXPANDING NEEDS OF THE TRADE CENTER. HOWEVER, THIS HAS REDUCED THE POLITICAL SECTION TO THE COUNSELOR AF LABOR ATTACHE. THIS COMPLEMENT IS NOT ADEQUATE TO CARRY OUT THE MISSION'S OBJECTIVES. THEREFORE, I STRONGLY RECOMMEND THAT AN ADDITIONAL POSITION BE ALLOCATED TO EMBASSY STOCKHOLM IN FY 1976 TO ENABLE THE POLITICAL SECTION TO MAINTAIN ITS FULL ARRAY OF CONWCTS AND FULFILL ITS REPORTING RESPONSIBILITIES IN AN EXPEDITIOUS AND THOROUGH MANNER WITHOUT DISRUPTION.

(B) THE SCIENTIFIC ATTACHE'S FORMER AMERICAN SECRETARY WAS TRANSFERRED TO THE EXECUTIVE OFFICE WHEN DIPLOMATIC RELATIONS AT THE AMBASSADORIAL LEVEL WERE RESUMED. THIS HAS RESULTED IN VARIOUS AD HOC SECRETARIAL ASSISTANCE ON AN AS-AVAILABLE BASIS. THIS HAS IMPAIRED THE OPERATIONAL EFFECTIVENESS OF THE SCIENCE OFFICE. THE EMBASSY HAS DETERMINED THAT THIS DEFICIENCY CAN BE RESOLVED WITH A LOCAL SECRETARY IN LIEU OF THE FORMER AMERICAN SECRETARY AND URGES THAT THIS POSITION BE AUTHORIZED AT THE EARLIEST POSSIBLE TIME.

(2) THE EMBASSY'S FUNDS ARE INSUFFICIENT TO FULFILL REASONABLE LEVELS OF REPRESENTATION. WITH THE RESUMPTION OF DIPLOMATIC RELATIONS WITH SWEDEN AT THE AMBASSADORIAL LEVEL, SUBSTANTIALLY INCREASED REPRESENTATION EXPENSES WERE INEVITABLE AND NECESSARY. FUNCTIONS FOR SENIOR SWEDISH GOVERNMENT OFFICIALS, AS WELL AS IMPORTANT USG OFFICIALS AND OTHER PRIVATE VIPS ARE NOW AGAIN A KEY ELEMENT OF REPRESENTATION ACTIVITIES AT THIS EMBASSY. AT THE PRESEM REPRESENTATION FUNDING LEVEL, IT IS ANTICIPATED THAT OUT-OF-POCKET EXPENSES WILL TOTAL \$3-4,000 IN FY 75. TO REDUCE THIS SHORT FALL AND ALLOW FOR INFLATIONARY INCREASES AND THE LOWER VALUE OF THE DOLLAR, STOCKHOLM'S REPRESENTATION FUNDING REQUIREMENT IN FY1976 IS \$17,000.

SECRET

SECRET

PAGE 03 STOCKH 01464 04 OF 04 271032Z

#### FY76 PROJECTIONS - FINANCIAL RESOURCES

THE EMBASSY DOES NOT ANTICIPATE ANY NEW PROGRAMS IN FY1976. THE INCREASES OVER FY75 PRINCIPALLY REFLECT INFLATIONARY PRESSURES (WAGE/PRICE INCREASES) AND THE EROSION OF THE PURCHASING POWER OF THE DOLLAR IN SWEDEN. WITHIN THE STATE FBO FUNDING REQUIREMENT FOR FY76 IS \$250,000 (ONE-TIME EXPENSE) FOR THE PURCHASE OF A DCM RESIDENCE.

	FY75	FY76
	(NEAREST THOUSANDS)	

#### STATE (ALL ALLOTMENTS AND

	FY75	FY76
WASHINGTON SALARY COSTS	2,091	2,673

USIS	410#	434#
------	------	------

COMMERCE	434#	549#
----------	------	------

AGRICULTURE	138#	150#
-------------	------	------

DAO	197#	189#
-----	------	------

# EXCLUDES WASHINGTON AMERICAN SALARY COSTS FOR THESE AGENCIES.

STRAUSZ-HUPE

SECRET

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLICIES, INTELLIGENCE ASSESSMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 27 MAR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ElyME  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975STOCKH01464  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** DG ALTERED  
**Executive Order:** X3  
**Errors:** N/A  
**Film Number:** D750107-0121  
**From:** STOCKHOLM  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t1975038/aaaaagxl.tel  
**Line Count:** 548  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EUR  
**Original Classification:** SECRET  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 10  
**Previous Channel Indicators:** n/a  
**Previous Classification:** SECRET  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 STATE 032826, 75 STATE 9732  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ElyME  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 16 APR 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <16 APR 2003 by ShawDG>; APPROVED <24 SEP 2003 by ElyME>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ANNUAL US POLICY ASSESSMENT: SWEDEN  
**TAGS:** OGEN, PFOR, SW, US  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006